

WHY A REPORTING SYSTEM FOR THE PURCHASE OF DESIGNATED ITEMS PROVIDES A GREATER PROBABILITY OF REDUCING METAL THEFT THAN THE PROPOSED DELAYED PAYMENT FOR THREE BUSINESS DAYS.

From the outset of our discussions regarding amendments to the Non-ferrous Metals Regulatory Act, our collective objective was to implement policies which will have measurable impact on reducing metals theft in Michigan. There have been numerous reported successes of identifying wrongdoing resulting from the cooperation of industry and law enforcement. Enhanced cooperation between industry and law enforcement will have further beneficial impact on reducing metals theft in Michigan.

The proposed three business day delayed payment does not establish a system designed to promote or provide for the continuous sharing of information between industry and law enforcement. A reporting system will on the other hand substantially increase the information shared by industry and law enforcement. The question must be asked is it reasonable to conclude that delayed payment will deter to metal theft. To so conclude requires the expectation that those who are hell bent on stealing, regardless of the reason they are doing so, will think twice about whether to engage in that illegal activity. We find this expectation neither reasonable or plausible. As further oversight of those items subject to greater risk of theft is responsible, we have suggested a reporting system as an alternative which we believe will not only increase the collaboration between industry and law enforcement but will have a positive impact on reducing metal theft.

A reporting system will provide law enforcement with details of recent sales activity of the product items designated for greater oversight. Information directed to the reporting system will identify the product and quantity sold and the name and other identifying information of the seller. The information will permit the development of trends allowing for proactive police interdiction as opposed to reactive police response. By way of example, if the reporting system receives information that Mr. A has sold a catalytic converter to business X on Monday and does not again appear in the system for 18 months, it is unlikely that Mr. A is engaging in illegal activity. However, if Mr. A sells a converter to business X on Monday, a converter to business Y on Tuesday and a converter to business Z on Wednesday, law enforcement can follow up with each of those businesses and receive the balance of the information that was to have been obtained (photo of the seller, photo of the material, finger print of the seller etc.). This system will provide law enforcement with documented information necessary to launch an investigation of Mr. A's activities and if probable cause exists to make an arrest. Compare foregoing to a delayed payment system where there is no information shared between industry and law enforcement. Without a reporting system, law enforcement will have no knowledge that the transactions in the above example have even taken place.

The House bill adds many administrative and management requirements. With the exception of the proposed delayed payment, those additional requirements have been endorsed by industry and in many instances were suggested by industry. The oversight required to comply with a three business day delayed payment will substantially add to those administrative and management efforts by industry members who work diligently to follow the law all without any facts postured supporting the proposition that delayed payment will have any material effect on reducing metal theft.

Delayed payment would require:

1. That mixed loads be segregated to assure that if any of the identified product categories are included they are removed from the load, set aside, separately weighed and documented and set up for separate and delayed payment resulting in the purchaser having to make, document and manage two transactions instead of one;
2. The documentation of two transactions resulting in two different payment arrangements.
3. Further oversight in those instances where the seller returns for payment including the taking of the seller's picture a second time, the recording of the license plate if the seller returns by car and making another copy of the seller's driver's license, comparing the same to the records generated on the initial delivery, all to assure that payment is being made to the correct seller;
4. Additional recordkeeping to assure that payment is not made before fourth business day, and the daily designation of the day after which payment can be made.
5. Examination of the original transaction records to determine if the Seller has returned prematurely and if so be required to turn the seller away for return on or after the proper date.

Therefore, we urge the Senate to substitute the three business day delayed payment for a reporting system of the transactions of the identified items which will prove to provide law enforcement greater tools in addressing metals theft in Michigan.